

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6113**

**BILL NUMBER:** HB 1165

**DATE PREPARED:** Dec 12, 1998

**BILL AMENDED:**

**SUBJECT:** Insurance Coverage for Autism.

**FISCAL ANALYST:** Alan Gossard

**PHONE NUMBER:** 233-3546

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill defines pervasive developmental disorders, including Asperger's Syndrome and Autism, as neurological conditions for purposes of coverage under group insurance for public employees, group health insurance, and group health maintenance organization (HMO) contracts. The bill requires group insurance for public employees, group health insurers, and HMO contracts that provide basic health care services to provide coverage for treatment, including therapeutic respite and rehabilitative care, of a pervasive developmental disorder of a child covered under the plan. The bill limits the required coverage to a maximum of ten thousand dollars (\$10,000) per year, not to include coverage for treatment of unrelated medical conditions. (The introduced version of this bill was prepared by the Commission on Autism.)

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** This bill requires health plans offered to state employees to provide equal coverage for pervasive developmental disorders, including Asperger's Syndrome and Autism. To the extent that these benefits are not currently offered through the traditional indemnity plans or through the HMO plans as part of the state employee health benefit package, there would be additional costs incurred by these plans. Additional costs to the plans are estimated to be \$1.14 million per year (about 0.7% of premiums) and may be reflected in increased premiums and enrollment fees. Increased premiums and fees, however, may or may not result in additional costs to the state depending upon administrative action as to the determination of the employer/employee cost share for health insurance benefits. The state currently pays about 95% of aggregate employee health plan costs.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The estimated total impact on health plan costs of these mandated benefits, based on the state employees' participation in insurance and HMO plans, is about 0.7% of premiums. The impact on an individual health plan would vary depending upon plan structure and type.

Similar to the State, increased premiums and enrollment fees may or may not result in additional costs to local governments and school corporations depending upon administrative action as to the determination of the employer/employee cost share for health insurance benefits.

**Explanation of Local Revenues:**

**State Agencies Affected:** All

**Local Agencies Affected:** Local Governments and School Corporations

**Information Sources:** Keith Beesley, Department of Personnel, 232-3062.